

## **EDITORIAL: Public and private finance and financial markets during the second wave of the Covid-19 pandemic**

*Dear readers!*

The third issue of the journal provides contributions to the exploration of subjects related to public and private finance and the functioning and investment techniques of financial markets. These are all topical issues that may give rise to further research in order to understand better how countries, markets and companies are facing the challenges due to the Covid-19.

The second wave of the pandemic, which is currently affecting most countries in the Northern Hemisphere of the Globe, is resulting in an increase in national public debt necessary to support the health system, economy, workers and families. As a result, there will be an issue of sustainability over time of debts regarding many countries. Hence, the importance of streams of study that investigate, not only the fiscal sustainability of the new public debts and their impact on the national or world economy, but also the relationship between the quality of institutional governance and the current public support of national economies. Governance, seen as “*the traditions and institutions by which authority in a country is exercised*” (Kraay, Zoido-Lobaton, & Kaufmann, 1999), is currently playing a key role in deciding where to allocate national or supranational resources (e.g., the resources provided for in the European Recovery Plan). The ability to direct these resources to appropriate activities can facilitate the recovery of the national economy and sustained growth in GDP. An effective allocation of these resources ought to contribute, in the future, to the reduction of the accumulated public debt.

From this viewpoint, the 2020 pandemic is peculiar turbulence providing researchers with a unique occasion to explore these fields of study in an unprecedented setting and numerous researchers have already contributed with the scholarly research (Anh & Gan, 2020; Atici & Gursoy, 2020; Fu & Shen, 2020; Shen, Fu, Pan, Yu, & Chen, 2020).

On the company side, there is an issue regarding the company’s going concern and the availability of liquidity to meet its obligations. On this subject, there is room for academic investigations in order to evaluate the company’s resilience and the ability of the banking system and other organisations (e.g., mutual guarantee institutions) to support businesses in addressing current turbulence. It would be also important to analyse the ability of company’s corporate governance to manage and respond promptly to the disruptions caused by the pandemic contributing to the previous literature cemented corporate governance system pillars by Rossi, Nerino, and Capasso (2015), Arouri, Hossain, and Muttakin (2011), Boubaker (2007), Huse (2005), and more recently by dela Rama and Kostyuk (2019), Grove and Clouse (2018), Kostyuk and Barros (2018) and with a focus of sustainability and financial performance issues (Guedes, 2020; Gouiaa & Kostyuk 2020; Tommaso, 2020; Grove & Clouse, 2017; Braendle, 2013).

With regard to the functioning of financial markets, currently, there is particular attention in the world on monetary policies of Central Banks and their effects that is confirmed by the previous literature by Lopes (2018), Basu, Ananthkrishnan, and Rodriguez (2018), Pichet (2013), Szunke (2013). As a result of the Covid-19 crises, a research path on the role of monetary policies in relation to market shocks and the increase in global public and private debt is strengthened.

From the investor's point of view, it will be interesting to verify the results of sophisticated mathematical models aimed at limiting the risk of suffering losses when investing in the stock markets and there is a strong world economic and political uncertainty.

The articles published in this issue therefore represent a good starting point for further insights into these subjects in the time of Covid-19.

*Marco Venuti, Professor, Roma Tre University, Italy*  
*Editorial Board member, Risk Governance and Control: Financial Markets and Institutions*

---

## REFERENCES

1. Anh, D. L. T., & Gan, C. (2020). The impact of the COVID-19 lockdown on stock market performance: Evidence from Vietnam. *Journal of Economic Studies*, Advance online publication. <https://doi.org/10.1108/JES-06-2020-0312>
2. Arouri, H., Hossain, M., & Muttakin, M. B. (2011). Ownership structure, corporate governance and bank performance: Evidence from GCC countries. *Corporate Ownership & Control*, 8(4-3), 365-372. <http://doi.org/10.22495/cocv8i4c3art5>
3. Atici, G., & Gursoy, G. (2020). Trends of non-financial corporations listed on Borsa Istanbul: Rethinking corporate ownership and governance under COVID-19. *Journal of Governance & Regulation*, 9(3), 132-143. <http://doi.org/10.22495/jgrv9i3art10>
4. Basu, R., Ananthakrishnan, P., & Rodriguez, S. (2018). Monetary operations and Islamic banking in the GCC: Challenges and options. *Journal of Governance & Regulation*, 7(1), 49-63. [http://doi.org/10.22495/jgr\\_v7\\_i1\\_p4](http://doi.org/10.22495/jgr_v7_i1_p4)
5. Boubaker, S. (2007). On the relationship between ownership-control structure and debt financing: New evidence from France. *Corporate Ownership & Control*, 5(1), 139-154. <http://doi.org/10.22495/cocv5i1p12>
6. Braendle, U. C. (2013). Corporate governance in the Middle East - Which way to go? *Journal of Governance and Regulation*, 2(1), 57-64. [http://doi.org/10.22495/jgr\\_v2\\_i1\\_p4](http://doi.org/10.22495/jgr_v2_i1_p4)
7. dela Rama, M., & Kostyuk, A. (2019). Editorial: Adapting Anglo-American corporate governance concepts in non-Anglo-American environments. *Corporate Governance and Sustainability Review*, 3(1), 4-6. [http://doi.org/10.22495/cgsrv3i1\\_editorial](http://doi.org/10.22495/cgsrv3i1_editorial)
8. Fu, M., & Shen, H. (2020). COVID-19 and corporate performance in the energy industry. *Energy Research Letters*, 1(1). <https://doi.org/10.46557/001c.12967>
9. Gouiaa, R., & Kostyuk, A. (2020). Editorial: An international outlook of corporate governance research. *Corporate Ownership and Control*, 17(4), 4-6. <http://doi.org/10.22495/cocv17i4editorial>
10. Grove, H., & Clouse, M. (2017). Corporate governance principles and sustainability. *Corporate Governance and Sustainability Review*, 1(2), 13-19. <http://doi.org/10.22495/cgsrv1i2p2>
11. Grove, H., & Clouse, M. (2018). Focusing on sustainability to strengthen corporate governance. *Corporate Governance and Sustainability Review*, 2(2), 38-47. <http://doi.org/10.22495/cgsrv2i2p4>
12. Guedes, M. J. (2020). Editorial: Corporate governance and ownership: Changing towards an accountable, sustainable, responsible but profitable corporation. *Corporate Ownership and Control*, 18(1), 4-6. <http://doi.org/10.22495/cocv18i1editorial>
13. Huse, M. (2005). Corporate governance: Understanding important contingencies. *Corporate Ownership & Control*, 2(4), 41-50. <http://doi.org/10.22495/cocv2i4p3>
14. Kostyuk, A., & Barros, V. (2018). Corporate governance and company performance: Exploring the challenging issues. *Corporate Governance and Organizational Behavior Review*, 2(2), 25-31. [http://doi.org/10.22495/cgobr\\_v2\\_i2\\_p3](http://doi.org/10.22495/cgobr_v2_i2_p3)
15. Kraay, A., Zoido-Lobaton, P., & Kaufmann, D. (1999). *Governance matters* (The World Bank Policy Research Working Paper No. 2196). <https://doi.org/10.1596/1813-9450-2196>
16. Lopes, J. D. (2018). How the financial crisis has changed the research agenda on banking regulation. *Journal of Governance & Regulation*, 7(3), 37-46. [http://doi.org/10.22495/jgr\\_v7\\_i3\\_p5](http://doi.org/10.22495/jgr_v7_i3_p5)

17. Pichet, E. (2013). Building the foundations for a new central bank doctrine: Redefining central banks' missions in the 21st century [Conference issue]. *Journal of Governance and Regulation*, 2(2), 60-74. [http://doi.org/10.22495/jgr\\_v2\\_i2\\_p5](http://doi.org/10.22495/jgr_v2_i2_p5)
18. Rossi, M., Nerino, M., & Capasso, A. (2015). Corporate governance and financial performance of Italian listed firms. The results of an empirical research. *Corporate Ownership & Control*, 12(2-6), 628-643. <http://doi.org/10.22495/cocv12i2c6p6>
19. Shen, H., Fu, M., Pan, H., Yu, Z., & Chen, Y. (2020). The impact of the COVID-19 pandemic on firm performance. *Emerging Markets Finance and Trade*, 56(10), 2213-2230, <https://doi.org/10.1080/1540496X.2020.1785863>
20. Szunke, A. (2013). A new paradigm of modern central banking [Conference issue]. *Journal of Governance and Regulation*, 2(2), 75-78. [http://doi.org/10.22495/jgr\\_v2\\_i2\\_p6](http://doi.org/10.22495/jgr_v2_i2_p6)
21. Tommaso, S. (2020). Editorial: Researching the relations between governance characteristics and sustainability. *Corporate Governance and Sustainability Review*, 4(1), 4-6. <http://doi.org/10.22495/cgsrv4i1editorial>